

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-01809A
Lakewood Water Company
P.O. Box 733
Amado, AZ 85645

RECEIVED

ANNUAL REPORT

2004-2005
Director Utilities

FOR YEAR ENDING

12	31	2006
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FOR COMMISSION USE

ANN 04	06
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PROCESSED BY:

4-12-07 RF

SCANNED

Statutory Agent: Christopher W. Hill
 (Name)
P.O. Box 70022 Tucson Arizona 85737
 (Street) (City) (State) (Zip)
(520) 904-0741 (520) 297-9494
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: Snell & Wilmer, LLP
 (Name)
1500 Northwest Tower, One South Church St. Tucson Arizona 85701-1630
 (Street) (City) (State) (Zip)
(520) 882-1200 (520) 882-1294
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input checked="" type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	7,704	7,704	0
302	Franchises	94	29	65
303	Land and Land Rights	37,221	0	37,221
304	Structures and Improvements	22,550	8,471	14,079
307	Wells and Springs	17,078	17,078	0
310	Power Generation Equipment	1,512	142	1,370
311	Pumping Equipment	71,748	52,051	19,697
320	Water Treatment Equipment	0	0	0
330	Distribution Reservoirs and Standpipes	25,385	22,109	3,276
331	Transmission and Distribution Mains	84,922	76,000	8,922
333	Services	12,025	9,316	2,709
334	Meters and Meter Installations	28,141	25,840	2,301
335	Hydrants	0	0	0
336	Backflow Prevention Devices	0	0	0
339	Other Plant and Misc. Equipment	1,352	19	1,333
340	Office Furniture and Equipment	8,540	5,635	2,905
341	Transportation Equipment	1,800	617	1,183
343	Tools, Shop and Garage Equipment	2,548	1,915	633
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	606	600	6
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	0	0	0
348	Other Tangible Plant	0	0	0
	TOTALS	323,226	227,526	95,700

This amount goes on the Balance Sheet Acct. No. 108



CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	7,704	N/A	N/A
302	Franchises	94	.05	5
303	Land and Land Rights	37,221	N/A	N/A
304	Structures and Improvements	22,550	.05 / .033	1,106
307	Wells and Springs	17,078	N/A	N/A
310	Power Generation Equipment	1,512	.094	142
311	Pumping Equipment	71,748	.05 / .125	4,334
320	Water Treatment Equipment	0	N/A	N/A
330	Distribution Reservoirs and Standpipes	25,385	.05	1,269
331	Transmission and Distribution Mains	84,922	.05	4,246
333	Services	12,025	.05 / .033	575
334	Meters and Meter Installations	28,141	.05 / .083	1,429
335	Hydrants	0	N/A	N/A
336	Backflow Prevention Devices	0	N/A	N/A
339	Other Plant and Misc. Equipment	1,352	.014	19
340	Office Furniture and Equipment	8,540	.05	427
341	Transportation Equipment	1,800	.05	90
343	Tools, Shop and Garage Equipment	2,548	.05	127
344	Laboratory Equipment	0	N/A	N/A
345	Power Operated Equipment	606	.05	30
346	Communication Equipment	0	N/A	N/A
347	Miscellaneous Equipment	0	N/A	N/A
348	Other Tangible Plant	0	N/A	N/A
	TOTALS	323,226		13,799

This amount goes on the Comparative Statement of Income and Expense
Acct. No. 403.

BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 5,437	\$ 11,985
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	4,328	9,565
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	450	450
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	5,000	5,000
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 15,215	\$ 27,000
	Provision for Uncollectible Accounts	(10,390)	(10,390)
	FIXED ASSETS		
101	Utility Plant in Service	\$ 320,362	\$ 323,226
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(213,727)	(227,526)
121	Non-Utility Property	(6,677)	(6,677)
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 99,958	\$ 89,023
	TOTAL ASSETS	\$ 104,783	\$ 105,633

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	3,905	4,510
236	Accrued Taxes	4,917	4,581
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 8,822	\$ 9,091
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 14,925	\$ 10,153
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	10,363	9,743
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	18,785	18,785
272	Less: Amortization of Contributions	(10,733)	(11,672)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 18,415	\$ 16,856
	TOTAL LIABILITIES	\$ 42,162	\$ 36,100
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 15,790	\$ 15,790
211	Paid in Capital in Excess of Par Value	(790)	(790)
215	Retained Earnings	47,621	54,533
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 62,621	\$ 69,533
	TOTAL LIABILITIES AND CAPITAL	\$ 104,783	\$ 105,633

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 93,218	\$ 92,539
460	Unmetered Water Revenue		
474	Other Water Revenues	2,079	2,073
	TOTAL REVENUES	\$ 95,297	\$ 94,612
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 26,292	\$ 21,032
605	Bank Service Charges		711
610	Purchased Water		
615	Purchased Power	7,370	7,093
619	Chemicals	717	719
620	Repairs and Maintenance	2,231	10,014
621	Office Supplies and Expense	2,903	3,989
630	Outside Services	12,430	8,807
618	Water Testing	2,313	1,936
640	Rents	5,900	6,000
649	Small Tool/Minor Equipment		758
650	Transportation Expenses	1,791	7
657	Insurance – General Liability	2,076	1,641
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case	7,266	471
675	Miscellaneous Expense	1,839	1,666
403	Depreciation Expense	12,243	12,860
408	Taxes Other Than Income	2,333	2,622
408.11	Property Taxes	7,344	6,576
409	Income Tax	45	45
	TOTAL OPERATING EXPENSES	\$ 95,093	\$ 86,947
	OPERATING INCOME/(LOSS)	\$ 204	\$ 7,665
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 0	\$ 86
421	Non-Utility Income	0	519
426	Miscellaneous Non-Utility Expenses	0	0
427	Interest Expense	(1,816)	(1,357)
	TOTAL OTHER INCOME/(EXPENSE)	\$ (1,816)	\$ (752)
	NET INCOME/(LOSS)	\$ (1,612)	\$ 6913

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	10-25-2000	10-25-2000		
Source of Loan	G. Buscher	V. Buscher		
ACC Decision No.	62951	62951		
Reason for Loan	Purchase Land	Purchase Land		
Dollar Amount Issued	\$ 18,000	\$ 15,000	\$	\$
Amount Outstanding	\$ 5,538	\$ 4,615	\$	\$
Date of Maturity	3-01-2008	3-01-2008		
Interest Rate	10.5 %	10.5 %	%	%
Current Year Interest	\$ 732	\$ 610	\$	\$
Current Year Principle	\$ 2,605	\$ 1,998	\$	\$

Meter Deposit Balance at Test Year End

\$ 3,420

Meter Deposits Refunded During the Test Year

\$ 1,370

COMPANY NAME	Lakewood Water Company	Year Ending 12/31/06
Name of System	ADEQ Public Water System Number (if applicable)	

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-629430	25	175	257	10	3	1972
55-629431	25	250	254	14	3	1972

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
		5,000	2

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	Lakewood Water Company	Year Ending 12/31/06
Name of System	ADEQ Public Water System Number (if applicable)	

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size (in inches)	Material	Length (in feet)
2	PVC, Steel	6,350
3		
4	A/C, C900	9,100
5		
6	PVC, A/C, C900	3,450
8		
10		
12		

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X 3/4	293
3/4	0
1	6
1 1/2	1
2	1
Comp. 3	0
Turbo 3	0
Comp. 4	0
Tubo 4	0
Comp. 6	0
Tubo 6	0

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

STRUCTURES:

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME:	Lakewood Water Company	Year Ending 12/31/06
Name of System	ADEQ Public Water System Number (if applicable)	

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY		2913	3241	
FEBRUARY		2795	2677	
MARCH		2868	2873	
APRIL		3384	3400	
MAY		5234	5733	
JUNE		4591	5664	
JULY		4535	4458	
AUGUST		4031	2598	
SEPTEMBER		3530	3939	
OCTOBER		3006	3683	
NOVEMBER		3948	3675	
DECEMBER		3097	4502	
TOTALS →		43,934	46,445	

What is the level of arsenic for each well on your system? .006 mg/l

(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? GPM for hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

(☒) Yes (☐) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

(☒) Yes (☐) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

(☐) Yes (☒) No

If yes, provide the GPCPD amount: N/A

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Lakewood Water Company

YEAR ENDING 12/31/2006

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 6,575.57

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

Beth Ford
Pima County Treasurer



Patti Davidson
Chief Deputy Treasurer

PIMA COUNTY TREASURER'S OFFICE

PAYMENT RECEIPT

LAKEWOOD WATER CO
CHRISTOPHER W. HILL/PRESIDENT
P O BOX 733
AMADO AZ 85645

THIS IS YOUR RECEIPT FOR PAYMENT(S) OF 2005 REAL ESTATE TAXES

BOOK	MAP	PARCEL	TOTAL TAX ASSESSED	DATE
914	53	0000	\$ 6,960.55	4/4/2006

PAYMENTS

PAYMENT DATE	DESCRIPTION	TAX PAID	INTEREST PAID	FEES PAID	TOTAL
03/30/2006	SECOND HALF	\$3,480.27	\$0.00	\$0.00	\$3,480.27
	TOTAL PAID	\$3,480.27	\$0.00	\$0.00	\$3,480.27

TAXES DUE

TOTAL AMOUNT DUE

DESCRIPTION	AMOUNT
FIRST HALF TAX DUE	\$0.00
SECOND HALF TAX DUE	\$0.00
NSF-FEE DUE	\$0.00
RECLAIMED REFUND DUE	\$0.00
TOTAL AMOUNT DUE	\$0.00

Thank you for your payment!

BETH FORD
PIMA COUNTY TREASURER

Beth Ford
Pima County Treasurer



Patti Davidson
Chief Deputy Treasurer

PIMA COUNTY TREASURER'S OFFICE

PIMA COUNTY TREASURER'S OFFICE

CAYETANO INC DBA LAKEWOOD WATER CO
PO BOX 733
AMADO AZ 85645

THIS IS YOUR RECEIPT FOR PAYMENT(S) OF 2005 REAL ESTATE TAXES

BOOK	MAP	PARCEL	TOTAL TAX ASSESSED	DATE
304	32	420C	\$ 332.31	4/4/2006

PAYMENTS

PAYMENT DATE	DESCRIPTION	TAX PAID	INTEREST PAID	FEES PAID	TOTAL
03/30/2006	SECOND HALF	\$166.15	\$0.00	\$0.00	\$166.15
	TOTAL PAID	\$166.15	\$0.00	\$0.00	\$166.15

TOTAL TAX PAID \$166.15

TOTAL TAX PAID \$166.15

DESCRIPTION	AMOUNT
FIRST HALF TAX DUE	\$0.00
SECOND HALF TAX DUE	\$0.00
NSF FEE DUE	\$0.00
RECLAIMED REFUND DUE	\$0.00
TOTAL AMOUNT DUE	\$0.00

Thank you for your payment!

BETH FORD
PIMA COUNTY TREASURER

Beth Ford
Pima County Treasurer



Patti Davidson
Chief Deputy Treasurer

PIMA COUNTY TREASURER'S OFFICE

LAKEWOOD WATER CO
ATTN: CHRISTOPHER W HILL/PRESIDENT
PO BOX 733
AMADO AZ 85645

THIS IS YOUR RECEIPT FOR PAYMENT(S) OF 2006 REAL ESTATE TAXES

BOOK	MAP	PARCEL	TOTAL TAX ASSESSED	DATE
304	32	4320	\$ 17.77	11/8/2006

PAYMENTS					
PAYMENT DATE	DESCRIPTION	TAX PAID	INTEREST PAID	FEES PAID	TOTAL
10/30/2006	FULL YEAR	\$17.77	\$0.00	\$0.00	\$17.77
	TOTAL PAID	\$17.77	\$0.00	\$0.00	\$17.77

PROPERTY ADDRESS

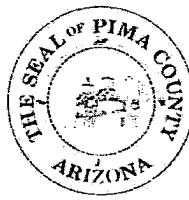
TAX YEAR 2006 TAXES DUE

DESCRIPTION	AMOUNT
FIRST HALF TAX DUE	\$0.00
SECOND HALF TAX DUE	\$0.00
NSF FEE DUE	\$0.00
RECLAIMED REFUND DUE	\$0.00
TOTAL AMOUNT DUE	\$0.00

Thank you for your payment!

BETH FORD
PIMA COUNTY TREASURER

Beth Ford
Pima County Treasurer



Patti Davidson
Chief Deputy Treasurer

PIMA COUNTY TREASURER'S OFFICE

PIMA COUNTY TAX RECEIPT

CAYETANO INC DBA LAKEWOOD WATER CO
ATTN: CHRISTOPHER W HILL
PO BOX 733
AMADO AZ 85645

THIS IS YOUR RECEIPT FOR PAYMENT(S) OF 2006 REAL ESTATE TAXES

TRACT	PARCEL	TOTAL TAX ASSESSED	DATE
304	32 461B	\$ 11.56	11/8/2006

PAYMENTS

PAYMENT DATE	DESCRIPTION	TAX PAID	INTEREST PAID	FEES PAID	TOTAL
10/30/2006	FULL YEAR	\$11.56	\$0.00	\$0.00	\$11.56
	TOTAL PAID	\$11.56	\$0.00	\$0.00	\$11.56

PROPERTY ADDRESS

TAX YEAR 2006 BALANCE DUE

DESCRIPTION	AMOUNT
FIRST HALF TAX DUE	\$0.00
SECOND HALF TAX DUE	\$0.00
NSF FEE DUE	\$0.00
RECLAIMED REFUND DUE	\$0.00
TOTAL AMOUNT DUE	\$0.00

Thank you for your payment!

BETH FORD
PIMA COUNTY TREASURER

Beth Ford
Pima County Treasurer



Patti Davidson
Chief Deputy Treasurer

PIMA COUNTY TREASURER'S OFFICE

LAKESWOOD WATER CO
ATTN: CHRISTOPHER W HILL/PRESIDENT
PO BOX 733
AMADO AZ 85645

THIS IS YOUR RECEIPT FOR PAYMENT(S) OF 2006 REAL ESTATE TAXES

BOOK	PAGE	PARCEL	TOTAL TAX ASSESSED	DATE
304	32	4330	\$ 17.77	11/8/2006

PAYMENTS					
PAYMENT DATE	DESCRIPTION	TAX PAID	INTEREST PAID	FEES PAID	TOTAL
10/30/2006	FULL YEAR	\$17.77	\$0.00	\$0.00	\$17.77
	TOTAL PAID	\$17.77	\$0.00	\$0.00	\$17.77

PROPERTY ADDRESS

TAX YEAR 2006 BALANCE DUE

DESCRIPTION	AMOUNT
FIRST HALF TAX DUE	\$0.00
SECOND HALF TAX DUE	\$0.00
NSF FEE DUE	\$0.00
RECLAIMED REFUND DUE	\$0.00
TOTAL AMOUNT DUE	\$0.00

Thank you for your payment!

BETH FORD
PIMA COUNTY TREASURER

Beth Ford
Pima County Treasurer



Patti Davidson
Chief Deputy Treasurer

PIMA COUNTY TREASURER'S OFFICE

PIMA COUNTY TAX RECEIPT

LAKEWOOD WATER CO
ATTN: CHRISTOPHER W HILL/PRESIDENT
PO BOX 733
AMADO AZ 85645

THIS IS YOUR RECEIPT FOR PAYMENT(S) OF 2006 REAL ESTATE TAXES

BOOK	MAP	PARCEL	TOTAL TAX ASSESSED	DATE
914	53	0000	\$ 6,218.30	11/8/2006

PAYMENTS

PAYMENT DATE	DESCRIPTION	TAX PAID	INTEREST PAID	FEES PAID	TOTAL
10/30/2006	FIRST HALF	\$3,109.15	\$0.00	\$0.00	\$3,109.15
	TOTAL PAID	\$3,109.15	\$0.00	\$0.00	\$3,109.15

PROPERTY ADDRESS

TAX YEAR 2006 BALANCE DUE

DESCRIPTION	AMOUNT
FIRST HALF TAX DUE	\$0.00
SECOND HALF TAX DUE	\$3,109.15
NSF FEE DUE	\$0.00
RECLAIMED REFUND DUE	\$0.00
TOTAL AMOUNT DUE	\$3,109.15

IMPORTANT INFORMATION

FIRST HALF TAXES ARE DUE 10/01/2006 AND DELINQUENT AFTER 11/01/2006. SECOND HALF TAXES ARE DUE 03/01/2007 AND DELINQUENT AFTER 05/01/2007. INTEREST CHARGES ACCRUE FOR PAYMENTS MADE AFTER DELINQUENCY DATES. FOR PAYMENT INFORMATION AFTER DELINQUENCY DATES, PLEASE CALL (520) 740-8341 OR VISIT WWW.TO.PIMA.GOV

Thank you for your payment!

BETH FORD
PIMA COUNTY TREASURER

115 North Church Avenue - Tucson, Arizona 85701-1199 - Phone (520) 740-8341 - Fax (520) 884-4809

Beth Ford
Pima County Treasurer



Patti Davidson
Chief Deputy Treasurer

PIMA COUNTY TREASURER'S OFFICE

PIMA COUNTY TAX DEPARTMENT

CAYETANO INC DBA LAKEWOOD WATER CO
PO BOX 733
AMADO AZ 85645

THIS IS YOUR RECEIPT FOR PAYMENT(S) OF 2006 REAL ESTATE TAXES

POLY	TAX	PARCEL	TOTAL TAX ASSESSED	DATE
304	32	420C	\$ 310.17	11/8/2006

PAYMENTS

PAYMENT DATE	DESCRIPTION	TAX PAID	INTEREST PAID	FEES PAID	TOTAL
10/30/2006	FIRST HALF	\$155.09	\$0.00	\$0.00	\$155.09
	TOTAL PAID	\$155.09	\$0.00	\$0.00	\$155.09

PROPERTY ADDRESS

TAX YEAR 2006 BALANCE DUE

DESCRIPTION	AMOUNT
FIRST HALF TAX DUE	\$0.00
SECOND HALF TAX DUE	\$155.08
NSF FEE DUE	\$0.00
RECLAIMED REFUND DUE	\$0.00
TOTAL AMOUNT DUE	\$155.08

IMPORTANT INFORMATION

FIRST HALF TAXES ARE DUE 10/01/2006 AND DELINQUENT AFTER 11/01/2006. SECOND HALF TAXES ARE DUE 03/01/2007 AND DELINQUENT AFTER 05/01/2007. INTEREST CHARGES ACCRUE FOR PAYMENTS MADE AFTER DELINQUENCY DATES. FOR PAYMENT INFORMATION AFTER DELINQUENCY DATES, PLEASE CALL (520) 740-8341 OR VISIT WWW.TO.PIMA.GOV

Thank you for your payment!

BETH FORD
PIMA COUNTY TREASURER

115 North Church Avenue - Tucson, Arizona 85701-1199 - Phone (520) 740-8341 - Fax (520) 884-4809

RECEIVED

NOTARY PUBLIC
WARREN JOHN TENNEY

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

VERIFICATION

STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) <i>PIMA</i>
NAME (OWNER OR OFFICIAL) TITLE <i>CHRISTOPHER W. NICHOLS</i>
COMPANY NAME <i>Capetano, INC</i>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

[Signature]
SIGNATURE OF OWNER OR OFFICIAL

(520) 904-0741

TELEPHONE NUMBER

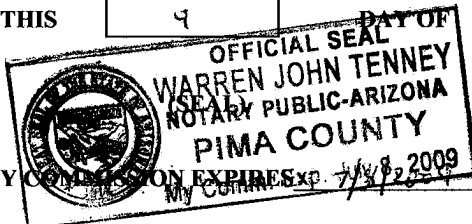
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

9

DAY OF



COUNTY NAME

Pima

MONTH

April

2007

[Signature]
SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Lakewood Water Company

YEAR ENDING 12/31/2006

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>0</u>
Estimated or Actual Federal Tax Liability	<u>0</u>

State Taxable Income Reported	<u>0</u>
Estimated or Actual State Tax Liability	<u>45</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>0</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE4-9-07

DATEChristopher W. Hill

PRINTED NAMEPresident

TITLE

RECEIVED

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

12-11-06 COMVE
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Pima</u>
NAME (OWNER OR OFFICIAL) TITLE <u>Christopher W. Hill</u>
COMPANY NAME <u>Coyote, Inc</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 94,612

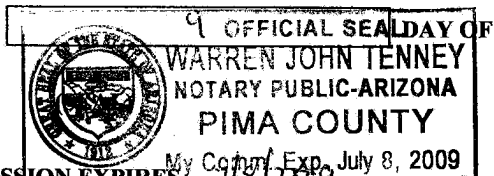
(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 5,784.07
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



MY COMMISSION EXPIRES 7/8/2009

[Signature]
SIGNATURE OF OWNER OR OFFICIAL
(520) 904-0741
TELEPHONE NUMBER

COUNTY NAME <u>Pima</u>	
MONTH <u>April</u>	2007

[Signature]
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

RECEIVED

12-10-06
Director's Office

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Pima	
NAME (OWNER OR OFFICIAL)	Christopher W. Hill	TITLE President
COMPANY NAME	Lakewood Water Company	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

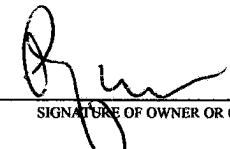
SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>92,540</u>

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 5,784.07
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**



SIGNATURE OF OWNER OR OFFICIAL

(520) 904-0741

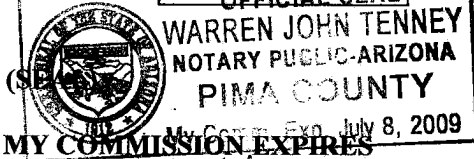
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS DAY OF

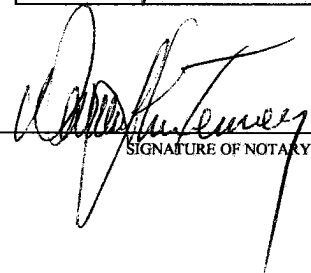
9
OFFICIAL SEAL



MY COMMISSION EXPIRES

7/8/2009

NOTARY PUBLIC NAME	Warren John Tenney	
COUNTY NAME	Pima	
MONTH	April	2007

X 

SIGNATURE OF NOTARY PUBLIC